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November 17, 2005

HAND DELIVERY

Charles L. A. Terreni, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, S.C. 29210

RE: Application of Sprint Nextel Corporation
Docket No. 2005-246-C

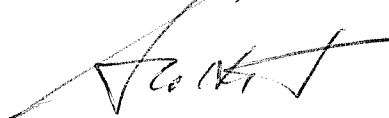
Dear Mr. Terreni:

Enclosed please find for filing the original and twenty-five (25) copies of the verified Direct Testimony with two exhibits of C. Steve Parrott on behalf of Sprint Nextel Corporation in the above-captioned matter. Please return one clocked copy to me via my courier. By copy of this letter, I am serving all parties of record.

If you have questions, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.


Scott Elliott

SE/mlw

Enclosures

c: All Parties of Record w/enc.

IN RE: APPLICATION OF SPRINT NEXTEL
CORPORATION FOR APPROVAL OF THE
TRANSFER OF CONTROL OF UNITED
TELEPHONE COMPANY OF THE
CAROLINAS, SPRINT LONG DISTANCE,
INC. AND SPRINT PAYPHONE
SERVICES, INC. FROM SPRINT NEXTEL
CORPORATION TO LTD HOLDING
COMPANY

) PUBLIC SERVICE COMMISSION
) OF SOUTH CAROLINA
)
) DOCKET NO. 2005-246-C
)
)
)
)
)

DIRECT TESTIMONY

OF

C. STEVE PARROTT

ON BEHALF OF

SPRINT NEXTEL CORPORATION

November 17, 2005

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SC PUBLIC SERVICE
COMMISSION

RECEIVED

1 **Q. Please state your name and business address.**

2 A. My name is C. Steve Parrott and my business address is 14111 Capital
3 Boulevard, Wake Forest, North Carolina, 27587-5900.

4

5 **Q. By whom are you employed and what is your position?**

6 A. I am employed by Sprint/United Management Company as State Executive
7 for North Carolina and South Carolina and I am testifying in this proceeding
8 on behalf Sprint Nextel Corporation.

9

10 **Q. Please briefly outline your education, training and experience in the**
11 **telephone industry.**

12 A. I hold a Bachelor of Science Degree in Business Administration (Accounting
13 Major) from the University of Tennessee at Knoxville and I have over twenty-
14 eight (28) years of telephony experience with Sprint Corporation. Following
15 my employment with Sprint's regional local exchange company in Bristol,
16 Tennessee in July 1977 as a staff accountant, I have held numerous staff
17 and management positions in the areas of finance/accounting, information
18 management services, and regulatory affairs. Management positions have
19 included General Accounting Manager, Director - Local Revenues, Director -
20 Rate Planning and Rate Case Matters, Director - Revenues and Regulatory
21 Matters, Director - Regulatory Affairs TN/VA and Director-State Regulatory
22 Affairs. In November 2000, I was appointed to my present position of State
23 Executive-NC/SC.

1

2 **Q. What are your responsibilities as State Executive – NC/SC?**

3 A. I am directly responsible for state regulatory affairs and governmental affairs
4 work functions for all Sprint affiliates (including United Telephone Company
5 of the Carolinas) in North Carolina and South Carolina, as well as for Sprint's
6 local communications and public affairs functions in these states. Although I
7 am not an attorney, I do have indirect responsibility for the legal (regulatory)
8 functions in these states. As State Executive-NC/SC, I direct Sprint's
9 external affairs activities in North Carolina and South Carolina, which
10 includes providing regulatory and legislative advocacy for Sprint's affiliates in
11 these states.

12

13 **Q. Have you previously testified before State Utility Commissions?**

14 A. Yes, I have testified before the Public Service Commission of South Carolina,
15 the North Carolina Utilities Commission, the Tennessee Regulatory Authority
16 (previously the Tennessee Public Service Commission), and the Virginia
17 State Corporation Commission addressing the areas of finance/accounting,
18 rate design, access charge reform, regulatory policy, price regulation plans,
19 rules for local exchange competition and universal service issues.

20

21 **Q. What is the purpose of your testimony?**

22 A. The purpose of my testimony is to support Sprint Nextel Corporation's
23 Application seeking approval for the transfer of control of United

1 Telephone Company of the Carolinas ("United"), Sprint Long Distance,
2 Inc. ("SLDI") and Sprint Payphone Services, Inc. ("SPSI") from Sprint
3 Nextel Corporation to a new corporate parent. I will describe the
4 separation of Sprint Nextel Corporation's ("Sprint's") local
5 telecommunications business from the rest of Sprint and how it results in a
6 transfer of control to LTD Holding Company. My testimony will
7 demonstrate that United, SLDI, and SPSI will continue to have the
8 technical, financial and managerial capabilities to provide quality service
9 after the separation. I also will show that, other than the change in the
10 company name and logo, the separation will be transparent to and
11 beneficial to customers of United, SLDI, and SPSI.

12
13 **Q. What companies are covered by your testimony this proceeding?**

14 A. My testimony will discuss the companies in South Carolina that will
15 experience a change in control from Sprint to LTD Holding Company
16 effective upon completion of the separation: United, SLDI, and SPSI. My
17 testimony also discusses LTD Holding Company, which will be the parent
18 company for United, SLDI, and SPSI after the separation.

19
20 **Q. Please describe United's operations in South Carolina today.**

21 A. Today, Sprint continues its tradition of more than a century of providing
22 quality services to its local customers through the operations of its
23 incumbent local exchange carriers ("ILEC") – including United Telephone

1 Company of the Carolinas. United serves approximately 96,000 access
2 lines in 19 communities in the state and provides a full portfolio of
3 communications services to its customers, including local, long distance,
4 wireless, high-speed data, and video.

5
6 **Q. Please describe Sprint's current organizational structure as it relates**
7 **to the companies for which Sprint is seeking transfer of control.**

8 A. United, SLDI and SPSI operate as direct or indirect subsidiaries of Sprint,
9 and, collectively with Sprint's ILEC properties in 17 other states, make up
10 Sprint's Local Telecommunications Division. SLDI was recently formed for
11 the purpose of providing long distance service to customers of Sprint's
12 ILEC operations, including customers of United. The ultimate parent
13 company of United, SLDI and SPSI is Sprint.

14
15 **Q. From an organizational perspective, what impact does the separation**
16 **have on United, SLDI and SPSI in South Carolina?**

17 A. The separation of Sprint's local telecommunications business from the rest
18 of Sprint will result in little, if any change to United, SLDI and SPSI. The
19 operating entities in South Carolina will remain the same. United, SLDI
20 and SPSI will continue to exist as separate companies and, as is
21 explained later in my testimony, will continue to serve their local
22 customers in a way that will ensure transparency to those customers.

1 From a corporate structure perspective, the only change to these entities
2 will be that the ultimate owner of these companies will be LTD Holding
3 Company rather than Sprint. Attachment CSP-1 to my testimony shows
4 the corporate structure of Sprint Corporation before its merger with Nextel
5 Communications, Inc., the corporate structure of Sprint after the merger of
6 the two companies, and the corporate structure related to the creation of
7 the LTD Holding Company. These charts illustrate that at the completion
8 of the separation United, SLDI and SPSI are unchanged and simply are
9 owned by a new parent company, LTD Holding Company.

10
11 **Q. Will there be a corporate name change that results from the**
12 **separation?**

13 A. Yes. The names of United, SLDI and SPSI, or the names under which
14 they will do business, will change as the legal separation of these entities
15 from Sprint is completed. A new corporate name and logo are being
16 developed and will be introduced on or near the effective date of the
17 separation. Any state-required registrations, filings or notifications for the
18 name changes will be completed at that time.

19
20 **Q. How will the transaction affect the customer's experience?**

21 A. The transaction will result in continuous service and the separation will be
22 transparent to customers except for the new corporate name and logo.
23 On the day after the separation, United, SLDI, and SPSI will offer the full

1 ranges of products and services they offered in South Carolina the day
2 prior to separation, at the same prices, and subject to the same rules,
3 regulations and applicable tariffs. United will continue to meet the needs
4 of customers who want a “one stop shop” for their voice, data, video and
5 wireless communications needs through bundled service offerings. The
6 separation will have no adverse affect on the quality of service customers
7 enjoy today in South Carolina or on the ability of the company to meet all
8 of its service obligations. Customers will continue to be able to call
9 existing telephone numbers to obtain new services, report service
10 problems and address billing or other customer care issues.

11

12 **Q. Will existing rules, regulations and tariffs continue to apply to**
13 **United, SLDI and SPSI?**

14 A. Yes. The separation will not affect or change the certificated entities in
15 South Carolina and they will continue to provide local exchange service,
16 long distance service and payphone services subject to existing statutes,
17 orders, rules, regulations and applicable tariffs. Moreover, the transaction
18 will have no impact on the terms of any interconnection agreements or
19 United’s obligations under state and federal laws regarding
20 interconnection.

21

1 **Q. Will United, SLDI and SPSI continue to possess the technical and**
2 **managerial ability to provide quality service upon completion of the**
3 **separation?**

4 A. The certificated entities in South Carolina that provide service to our
5 customers today will continue to provide the same services after the
6 separation. Moreover, United, SLDI, and SPSI will have the assets,
7 commercial agreements, technical capabilities, managerial expertise,
8 employees and other resources needed to continue to provide quality
9 services to our customers.

10
11 **Q. How will the company ensure that the necessary assets are in place**
12 **to ensure services can be provided as they are today?**

13 A. All equipment, buildings, systems, software licenses and other assets
14 owned by United will remain assets of United. There will be no transfers
15 or assignments of assets owned by United as a result of the separation.
16 Assets owned by other Sprint entities that currently serve the needs of
17 multiple Sprint operations are being reviewed to determine which entity
18 has the predominant use of the shared asset today and will continue to
19 have a need for that asset in the future. For any shared assets that will
20 remain with Sprint Nextel, LTD Holding Company or one of its subsidiaries
21 will decide whether to purchase or lease similar assets, or contract for
22 comparable services from a third party to best meet future needs. In the
23 interim, Transition Services Agreements between Sprint and LTD Holding

1 Company will provide access to needed assets to ensure the continuity of
2 services as the separation is completed. As a result, LTD Holding
3 Company, together with United, SLDI and SPSI, will have all of the
4 necessary network assets and ordering, provisioning, billing and customer
5 care capabilities required to continue to provide high quality retail and
6 wholesale services seamlessly after the separation.
7

8 **Q. What steps are being taken to ensure that after the separation,**
9 **United will have the capability to provide customers with the same**
10 **types of services (local, long distance, wireless, high-speed internet**
11 **and video) they provide today?**

12 A. United will continue to provide a complete portfolio of services to its
13 customers in South Carolina through a combination of self-provisioning
14 and commercial agreements. United's provision of local service and high-
15 speed Internet services will be unaffected by the separation transaction.
16 United will continue to offer the same services, and at the same rates,
17 terms and conditions that it does today.
18

19 United customers who currently have Sprint Communications Company
20 L.P. as their long distance carrier in South Carolina and enjoy the benefits
21 of one-stop shopping will have the ability to continue purchasing bundled
22 services from United. Through a commercial agreement with Sprint
23 Communications Company L.P., SLDI will have the capability as a reseller

1 to seamlessly provide long distance services to these customers under the
2 new corporate brand. When the separation is complete, the consumer
3 long distance customers of Sprint Communications Company L.P. within
4 United's service territory will have the opportunity to become customers of
5 SLDI. Business customers subscribed to Sprint Communications
6 Company L.P. with their headquarters located in United's service territory
7 will also have the opportunity to become customers of SLDI. The transfer
8 of consumer and business customers from Sprint Communications
9 Company L.P. to SLDI will be completed in accordance with Federal
10 Communications Commission and South Carolina Commission approvals
11 and after required customer notices, which will include an opportunity for
12 customers to remain with Sprint Communications Company L.P. or
13 choose another long distance carrier if they do not desire service from
14 SLDI.

15
16 United will also enter into a commercial agreement with Sprint for the
17 provision of wireless services to United customers. This commercial
18 agreement will provide United the continued ability to offer a wireless
19 component for customers desiring integrated service offerings.

20
21 United currently offers customers the opportunity to purchase satellite
22 video services as a component of an integrated service bundle through a
23 sales agency agreement with EchoStar. The appropriate steps are

1 underway to ensure that the arrangement with EchoStar remains in place
2 after the separation to enable customers to continue to purchase video
3 services as part of their bundled service offering from United.

4
5 Through these long distance, wireless and video arrangements, United will
6 continue to provide customers the opportunity to subscribe to bundles of
7 local, long distance, wireless, high-speed Internet and video services as
8 they do today.

9
10 **Q. How will the management structure and staffing ensure the**
11 **companies' continued ability to provide quality service?**

12 **A.** The customer service, network and operations functions that are critical to
13 the companies' success today will continue when the separation is
14 complete and the companies will be staffed to ensure service continuity.
15 Customers will continue to interact with the employees who serve them
16 today in their local communities. I am pleased to advise the Commission
17 that I will continue to serve as State Executive for South Carolina and
18 North Carolina, Martin Bocock will continue to reside and maintain an
19 office in Columbia, S.C. as our Director-External Affairs and Linda Green
20 and Tom Allen will continue in their roles as public affairs managers
21 residing in Beaufort, S.C. and Greenwood, S.C., respectively.

1 United, SLDI, and SPSI will continue to receive certain management
2 services from the corporate center, including human resources, finance,
3 tax, communications, legal, planning, general support, and information
4 services. Although the services will be the same as those provided today,
5 and will be staffed by many of the same experienced and knowledgeable
6 people currently providing those services, the entity that provides these
7 services will be a new management company subsidiary of LTD Holding
8 Company. Continuing to maintain these centralized functions will allow
9 individual operating companies, including United, to benefit from the
10 efficiencies of centralized support services.

11
12 At the corporate level, LTD Holding Company will be managed by capable
13 and experienced senior executives who will provide continuity and
14 consistency of operations after the separation is completed. Daniel R.
15 Hesse has been named Chief Executive Officer of LTD Holding Company.
16 Mr. Hesse has extensive experience in the telecommunications industry,
17 including 23 years at AT&T. Michael B. Fuller has been named the Chief
18 Operating Officer of LTD Holding Company. Mr. Fuller, currently
19 President and Chief Operating Officer of Sprint's Local
20 Telecommunications Division, has had responsibility for leading Sprint's
21 local telephone operations since 1996. Gene Betts, formerly Sprint
22 Corporation's Senior Vice President and Treasurer, has been named
23 Chief Financial Officer of LTD Holding Company. Tom Gerke, formerly

1 Executive Vice President-General Counsel and External Affairs of Sprint
2 Corporation, has been named General Counsel for LTD Holding
3 Company. James A. Hansen has been named the senior officer to lead
4 LTD Holding Company's Network and Customer Service Organization.
5 For Mr. Hansen, this represents a continuation of his current
6 responsibilities and focus on network operations of Sprint's ILEC
7 operations. Attachment CSP-2 to my testimony shows organizational
8 charts for LTD Holding Company with the named senior management
9 team identified. The senior management team has an average tenure
10 with Sprint of nearly 18 years, with approximately 170 years of combined
11 Sprint experience.

12
13 **Q. You've outlined the proposed separation and its impacts on the**
14 **company in South Carolina. Could you explain why Sprint is**
15 **pursuing this separation of its ILEC operations?**

16 A. United, SLDI and SPSI operate in an industry that has been and continues
17 to be subject to technological advances, evolving consumer preferences,
18 and dynamic change. These factors, combined with recent regulatory
19 developments, result in a market environment where the interests of
20 Sprint's local wireline operations will begin to diverge from Sprint's
21 increasingly wireless-centric focus. Establishing Sprint's wireline local
22 service operations as an independent, stand-alone corporation creates a
23 company whose primary strategic focus is on building upon its local

1 wireline capabilities to provide a full portfolio of quality services to
2 residential and business customers in its local territory. The separation
3 establishes a heightened level of clarity in terms of the company's vision
4 and purpose; a clarity that has the beneficial effect of better aligning the
5 interests of the company with the interests of its local telephone
6 customers.

7 **Q. Please explain how the separation will result in clarity of vision and**
8 **purpose for the separated local company.**

9 A. The separation of Sprint's ILEC operations will allow its local customers to
10 be served by a company with a increased local focus. Prior to merger,
11 Sprint Corporation served nearly three times as many wireless customers
12 as local wireline customers. With the merger, Sprint Nextel now serves
13 six times as many wireless customers as wireline customers. Given the
14 predominance of wireless customers, Sprint will naturally focus on its
15 nationwide business built around wireless services and its nationwide fiber
16 optic and global IP network.

17
18 This separation of Sprint's ILEC operations will allow United's local
19 customers to be served by a company whose primary strategic interest is
20 in the nineteen communities it serves in South Carolina. The result is a
21 company that seeks to be recognized as the preferred "hometown"
22 communications company with a single-minded focus on its local markets
23 in South Carolina.

1

2 **Q. How will customers benefit from the company's enhanced clarity of**
3 **vision and purpose?**

4 A. United's success will be directly dependent upon its ability to meet the
5 needs of its local customers. Customers are most interested in a
6 company that understands and can provide solutions to the
7 communications needs in their local community. The separation allows
8 the company to focus with clarity on serving these interests.

9

10 With a more targeted local focus, United can enhance its local presence to
11 be more responsive in service delivery, product portfolio and customer
12 interaction. It will be better positioned to listen to its customers' needs,
13 and to service those needs by tailoring products specifically to its local
14 customer base. Although comprehensive plans for specific programs are
15 still in the development stage, examples of areas where this local focus
16 concept would be manifested include:

17

18 1. Many of Sprint's wireline and wireless business and residential
19 offerings have concentrated on product offerings that target national
20 urban markets. Since most of United's local customers live in more
21 rural areas, their needs are often different from the needs of Sprint's
22 nationwide customer base. United will have the freedom to create
23 product offerings that better reflect the preferences of its current local

1 customers. As an example, United is considering offerings designed to
2 complement wireline service rather than replace it, which may be more
3 attractive to its local customers.

- 4
- 5 2. United is evaluating opportunities to increase its local presence
6 through the placement of retail stores in selected local communities.
7 The opening of a new retail store in Beaufort, S.C. earlier this year is
8 evidence of the Company's commitment to enhancing the customer
9 experience in South Carolina.

- 10
- 11 3. Local cross-functional teams (including a team dedicated to South
12 Carolina) with representatives from customer-facing organizations,
13 including operations, consumer and business marketing and public
14 affairs, will be formed and charged with greater accountability for
15 overall performance in their assigned geographic areas. These local
16 teams will be responsible for understanding customers' needs in their
17 assigned geographic markets and developing market-specific actions
18 to address those needs.

- 19
- 20 4. Responsibility for responding to the needs of business customers in
21 United's local territory is being shifted from an organization with
22 national focus to an organization that will focus exclusively on the
23 business customers in United's territory. This local emphasis will be

1 enhanced by physically locating employee resources dedicated to local
2 business customers in or near local markets. Business customers
3 (from the smallest to the largest) will benefit from a business sales and
4 service organization whose focus will be on understanding and
5 meeting their specific communications needs in United's local territory.

6
7 **Q. You indicated that the separation and resulting local focus allowed**
8 **for a better alignment of the interests of the company with the**
9 **interests of its customers. Can you explain?**

10 A. Yes. The separation provides a greater opportunity for United to compete
11 effectively to retain and grow its customer base with a level of
12 independence the company would not have as part of a larger corporation
13 with a predominantly wireless and national focus. Customers benefit from
14 the increased focus on their needs, and United benefits from retaining and
15 attracting those customers whose needs are satisfied by the company's
16 offerings, service quality, and customer care.

17
18 The separation will allow United to compete more effectively in three
19 important ways. First, separating the ILEC business from Sprint
20 eliminates any potential tensions between Sprint's anticipated national
21 wireless strategy and LTD Holding Company's local wireline strategy. For
22 example, Sprint has announced that it will focus on serving as a wireless
23 alternative to wireline service and to advance competition by, for example,

1 enabling cable companies' voice offerings or using other technologies.
2 Sprint's goal of replacing existing local wireline service is inconsistent with
3 LTD Holding Company's goal of building on its local wireline capabilities.
4 Second, the separation will allow decisions to be made more quickly and
5 will allow flexibility for creating bundles and product portfolios in specific
6 markets. Among other things, LTD Holding Company will be able to offer
7 new products more rapidly and to respond to new offerings from alternate
8 providers quickly in the local market. Third, as described above, the
9 separation will allow LTD Holding Company to focus on developing
10 products targeted to local customers.

11

12 **Q. How will this enhanced clarity be reflected in the company's**
13 **operations in the local communities it serves?**

14 A. United will strengthen its local emphasis and build on its foundation of
15 local services as it continues to meet the telecommunications needs of
16 customers. Local affairs will continue to be managed by employees with
17 established local connections. United will continue to be an active
18 participant in local community activities as a contributing corporate citizen
19 and will provide opportunities for employees to volunteer their time and
20 talents in local communities as well. With financial contributions,
21 volunteer efforts and philanthropic involvement, United views its
22 citizenship role as an integral part of its corporate responsibilities. United
23 intends to continue its current community efforts, focusing on education,

1 youth development, community improvement and economic development,
2 after the separation is completed.

3
4 **Q. How will this separation affect the financial health of United?**

5 A. The separation will not have any effect on the financial health of United.
6 Upon completion of the separation, United will continue to be financially
7 capable of fulfilling all of the requirements of a regulated
8 telecommunications company in South Carolina. This capability will be
9 unaffected by the change in its ultimate corporate parent.

10
11 Historically the ILEC operations of Sprint have operated with significant
12 independence from the operations of the other Sprint divisions. The Sprint
13 ILEC operations have always maintained separate financial records for
14 regulatory purposes as well as separate property records for assets used
15 in the provision of service. Consequently, the financial changes
16 associated with the separation of LTD Holding Company are limited to the
17 parent company and common services provided by the management
18 company, and will have minimal effect on United, SLDI and SPSI in South
19 Carolina. In addition, LTD Holding Company will, among other things,
20 raise capital for United, SLDI and SPSI and will possess the financial
21 capability to assist United, SLDI and SPSI to provide quality service to its
22 customers in South Carolina. Upon completion of the separation, LTD

1 Holding Company will be a financially secure Fortune 500 company.¹ Its
2 stock is expected to be traded on the New York Stock Exchange.² LTD
3 Holding Company will be the largest independent (non-Regional Bell
4 Operating Company) local exchange carrier in the nation, with 2004
5 annual revenues exceeding \$6 billion. It will have the ability to raise
6 capital and invest in network, employees and systems to continue
7 providing high quality service. Based upon its financial attributes which
8 include the previously announced expectation for debt of \$7.3B and
9 dividends of \$300M, LTD Holding Company anticipates having financial
10 characteristics consistent with those of companies that have been rated
11 “investment grade” by major ratings agencies. In pursuit of that objective,
12 Sprint has obtained indicative ratings for LTD Holding Company from
13 major ratings agencies. Based upon the proven record of financial
14 performance of Sprint’s ILEC operations, it is expected that LTD Holding
15 Company will both generate ample cash flow and pay a dividend that is
16 attractive to investors. Cash flow is expected to be sufficient to cover
17 operating expenses, debt costs and construction costs with additional
18 financial capability to pursue economic opportunities for growth. All of

¹ Had it operated on a standalone basis in 2004, the revenues of LTD Holding Company would place it at approximately 335 on the Fortune 500 List.

² The New York Stock Exchange (NYSE) rules require compliance with various financial metrics to obtain listing on the exchange and also to maintain that listing. The CEO of a NYSE listed company must annually certify compliance with the broad corporate governance rules adopted by the NYSE. Those rules, among other things, require a majority of independent directors, audit committee composition and governance standards, and adoption and disclosure of corporate governance guidelines and a code of business conduct and ethics.

1 these characteristics help to ensure that LTD Holding Company will have
2 the fiscal stability to position itself and pursue strategies necessary to
3 assist United, SLDI and SPSI, to succeed in a competitive environment.

4
5 **Q. Could you summarize your testimony?**

6 A. The transfer of control of United Telephone Company of the Carolinas,
7 Inc., Sprint Long Distance Inc. and Sprint Payphone Services, Inc. from
8 Sprint to LTD Holding Company will be transparent to customers in South
9 Carolina. It will not affect the companies' financial, technical and
10 managerial capabilities to provide quality communications services in the
11 state. The separation will result in a company whose primary strategic
12 focus will be to build upon its local wireline capabilities in providing quality
13 services to residential and business customers in its local territory in South
14 Carolina. The separation will allow the company to clarify its vision and
15 purpose; this clarity will have the beneficial effect of better aligning the
16 interests of the company with the interests of its customers. Because the
17 separation of the local operations is in the public interest, the Commission
18 should, therefore, approve the change of control of United Telephone
19 Company of the Carolinas, Inc., Sprint Long Distance Inc. and Sprint
20 Payphone Services, Inc to LTD Holding Company.

21
22 **Q. Does this conclude your testimony?**

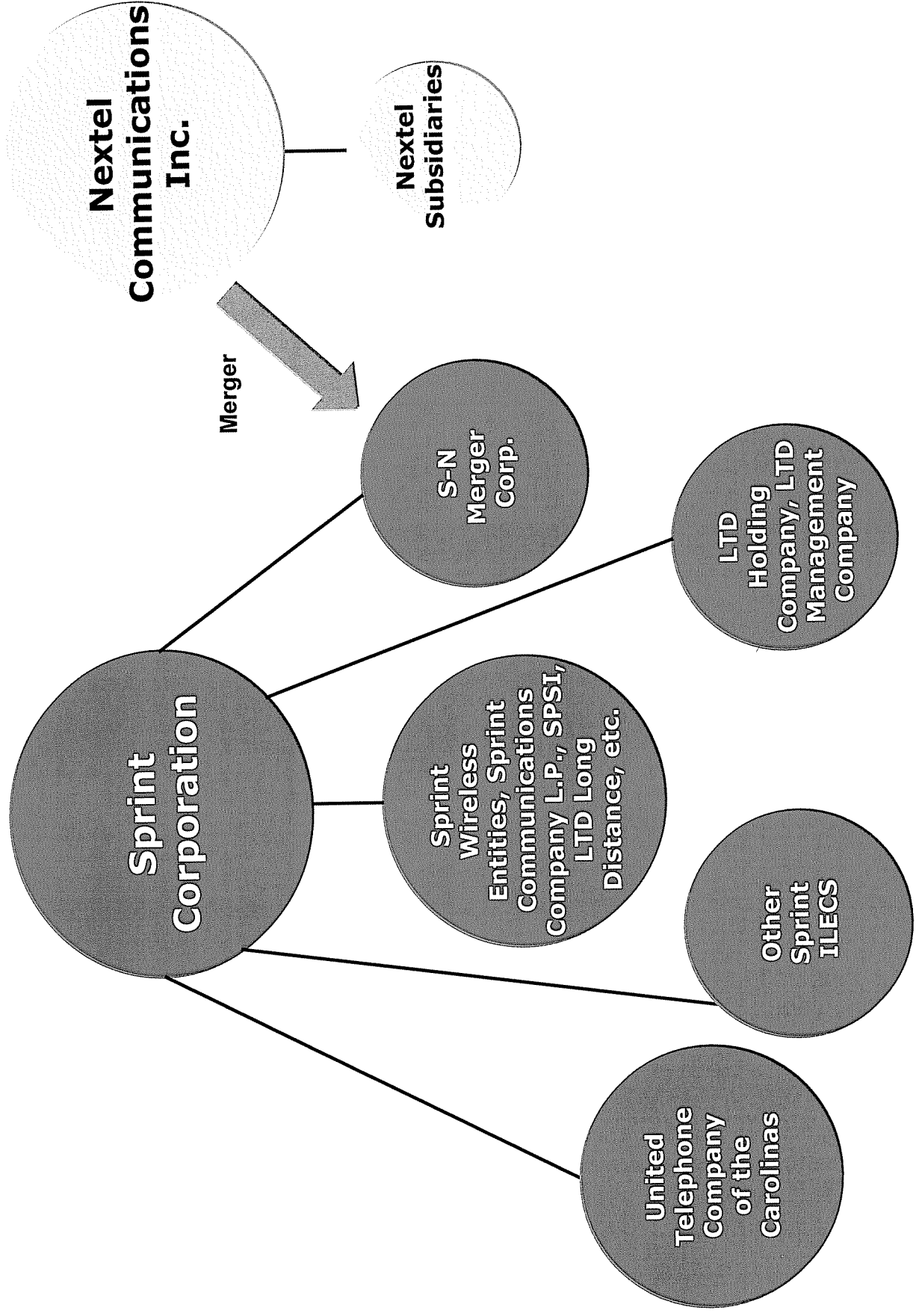
23 A. Yes.

BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

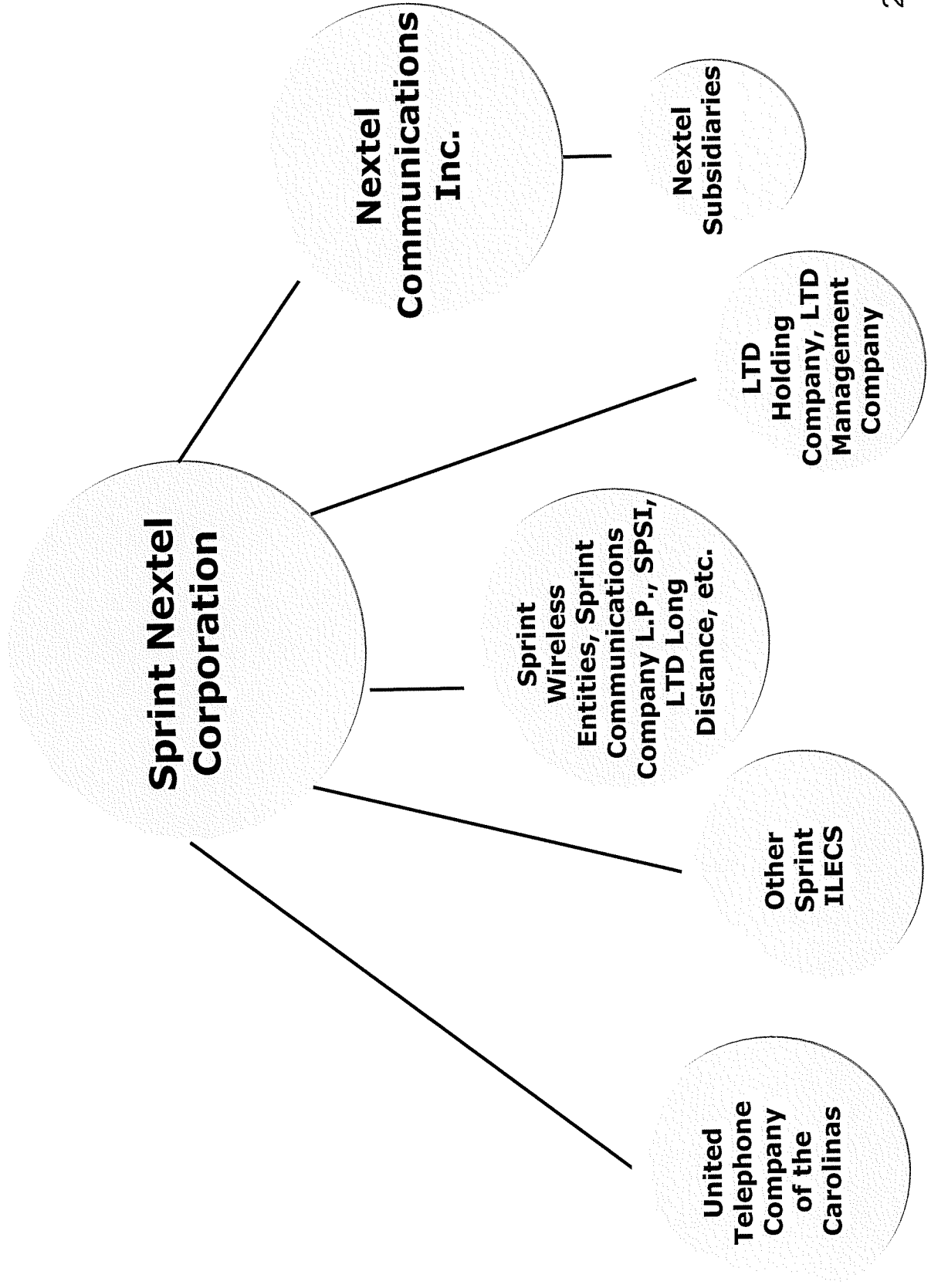
In the Matter of the Application of Sprint)	
Nextel Corporation for Approval of the)	
Transfer of Control of United Telephone)	Docket No. 2005-246-C
Company of the Carolinas, Sprint Long)	
Distance, Inc. and Sprint Payphone Services, Inc.)	
From Sprint Nextel Corporation to LTD)	
Holding Company)	

ATTACHMENT CSP-1

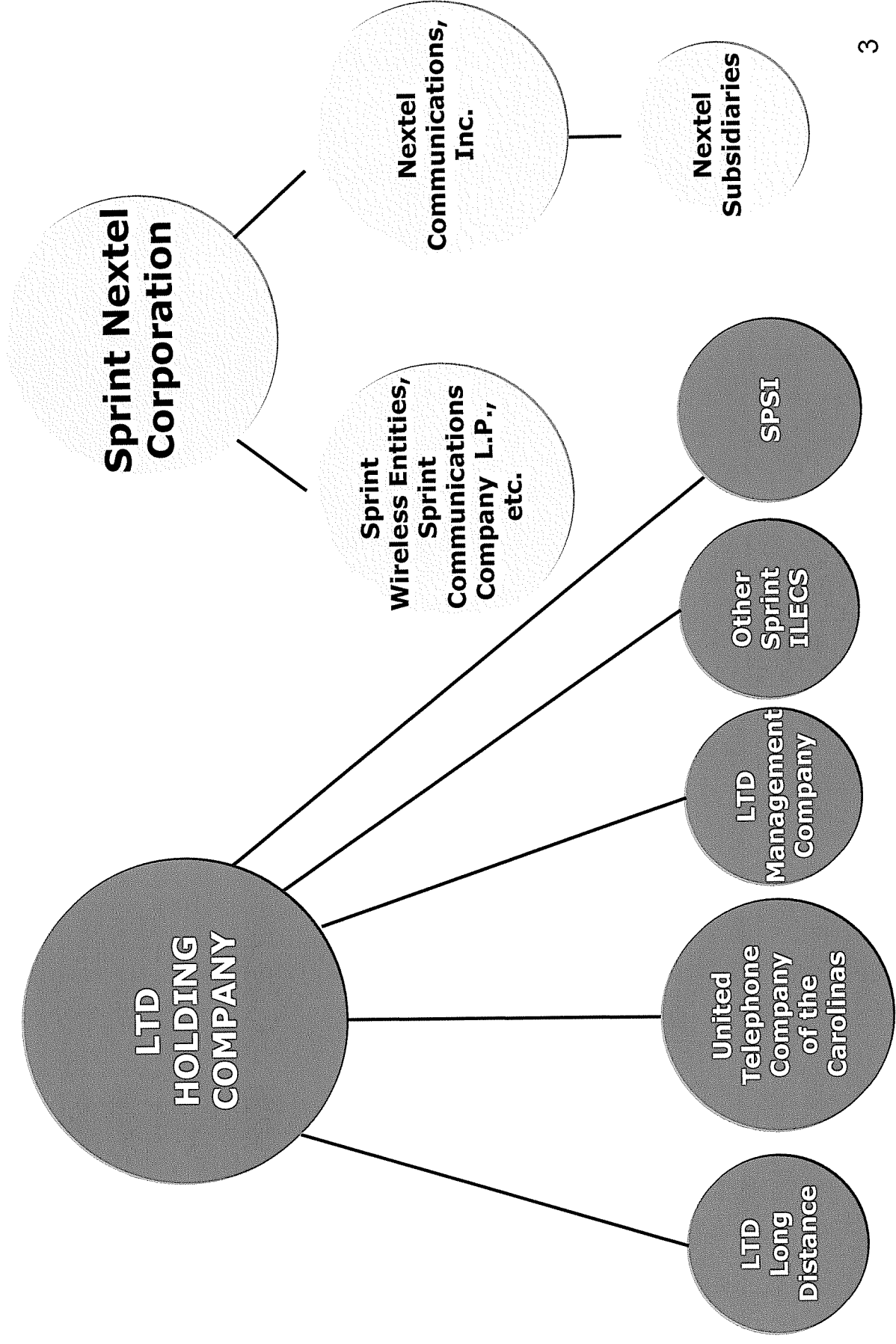
Sprint and Nextel - Pre-Merger



Sprint Nextel – Post Merger



LTD Holding Company Separation from Sprint Nextel

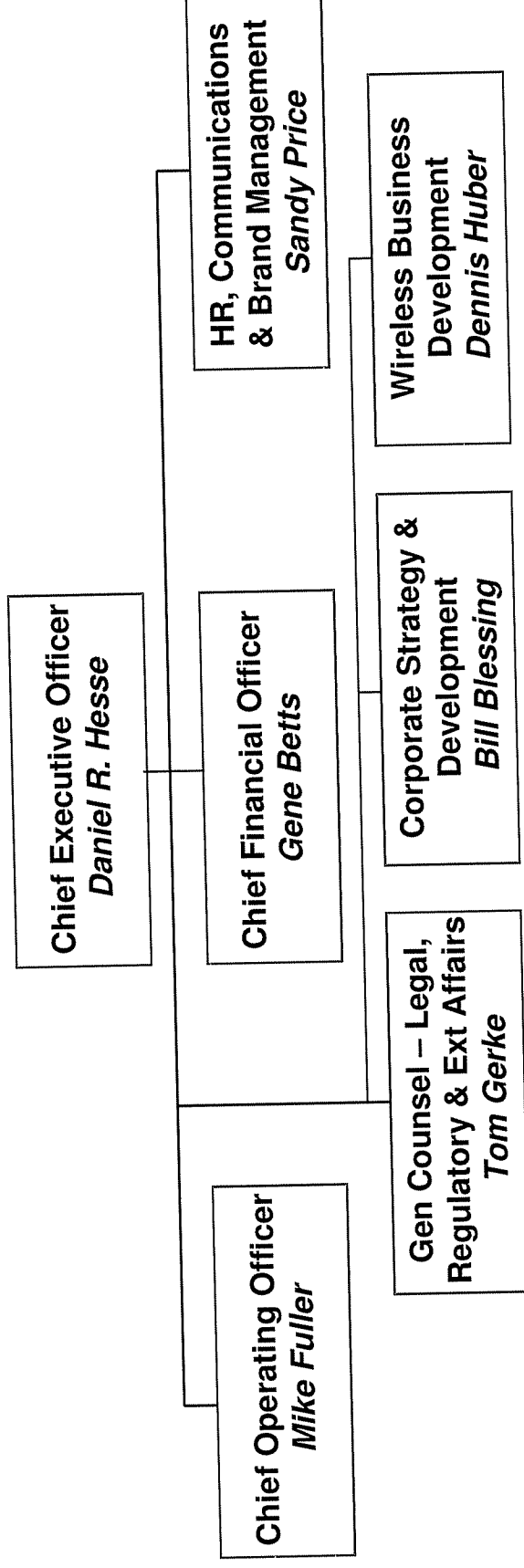


BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In the Matter of the Application of Sprint)	
Nextel Corporation for Approval of the)	
Transfer of Control of United Telephone)	Docket No. 2005-246-C
Company of the Carolinas, Sprint Long)	
Distance, Inc. and Sprint Payphone Services, Inc.)	
From Sprint Nextel Corporation to LTD)	
Holding Company)	

ATTACHMENT CSP- 2

New Local Company – Layer One



AFFIDAVIT

STATE OF NC
COUNTY OF Franklin

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared C. Steve Parrott, who being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of Sprint Nextel Corporation before the Public Service Commission of South Carolina in Docket No. 2005-246-C, and if present before the Commission and duly sworn, his testimony would be the same as set forth in the annexed Direct Testimony consisting of 20 pages and 2 exhibit(s).

C. Steve Parrott

C. Steve Parrott

SWORN TO AND SUBSCRIBED BEFORE
ME THIS 16th DAY OF November, 2005.

Teresa W. Choplin
NOTARY PUBLIC

MY COMMISSION EXPIRES ON 12-28-09

2005 NOV 17 PM 2:28
SC PUBLIC SERVICE
COMMISSION

RECEIVED

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Sprint Nextel Corporation for
Approval of the Transfer of Control of United Telephone
Company of the Carolinas, Sprint Long Distance, Inc. and
Sprint Payphone Services, Inc. from Sprint Nextel
Corporation to LTD Holding Company.

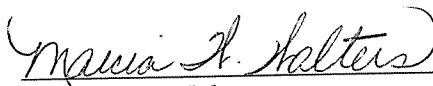
DOCKET NO.: 2005-246-C

PARTIES SERVED: Wendy B. Cartledge
Office of Regulatory Staff
P. O. Box 11263
Columbia, SC 29211

Daniel Waggoner, Esquire
Davis Wright Tremaine, LLP
1501 4th Avenue, Suite 2600
Seattle, WA 98101

PLEADING: DIRECT TESTIMONY OF C. STEVE PARROTT

November 17, 2005



Marcia W. Walters

SC PUBLIC SERVICE
COMMISSION

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